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## **Statement of Rep. Christopher Shays April 21, 2004**

From its inception in 1996, the United Nations' Oil for Food Program was susceptible to political manipulation and financial corruption. Trusting Saddam Hussein to exercise sovereign control over billions of dollars of oil sales and commodity purchases invited the illicit premiums and kickback schemes now coming to light. Because oversight was left to a Security Council committee that could only act by unanimous consent, and to a UN bureaucracy receiving a percentage of the proceeds, no one had sufficient authority or incentive to police the program.

So, what began as a temporary safety valve to meet the humanitarian needs of the oppressed Iraqi people was allowed to become a permanent torrent of sanctions busting and profiteering. As one report observed in September 2002, whenever Saddam Hussein wanted to increase his hard currency earnings at the expense of the Oil-for-Food program, the Iraqis shut down oil exports or claimed imminent infrastructure collapse. As if on cue, his supporters in the international community warned of the horrific consequences that would befall the Iraqi people. The Security Council eased the sanctions regime, and Saddam got the hard currency he needed to sustain his brutal regime.

But much is still not known about the exact details of Oil for Food transactions. That is one reason we convene this hearing today: to help pierce the veil of secrecy that still shrouds the largest humanitarian aid effort in history. We want the State Department, the CPA, and the UN to know there has to be a full accounting of all Oil for Food transactions, even if that unaccustomed degree of transparency embarrasses some members of the Security Council. We want to know what is being done to recoup the billions of dollars that literally slipped through UN fingers. And we want to know the United Nations will investigate the people, and reform the institutions, responsible for a scandal of almost unthinkable scope and seriousness.

Yesterday, UN Secretary General Kofi Annan assured me he wants to get to the bottom of this scandal and restore faith in the ability the UN to do its job. He said Security Council members, including Russia, will support a resolution giving the commission the independence and authority necessary to investigate allegations of corruption in the Oil for Food Program.

We will monitor their work closely to be certain that commission can follow the facts wherever they lead.

In defense of the program, some say it is enough the UN fulfilled its complex Oil for Food mandate under extraordinary circumstances, successfully rescuing the bulk of the Iraqi population from starvation and disease. They say padded prices and other leakage around the sanctions were inevitable, widely known and politically necessary to secure international consensus on Iraq. Current charges of corruption, some believe, are merely signs of a local power struggle within the Iraqi Governing Council or the conspiratorial fantasies of perpetual UN haters. They argue indulging in finger pointing now could inhibit the UN's ability, or willingness, to help restore a sovereign Iraq.

True, the program did succeed in raising the national nutritional level of most Iraqis. But to ignore profoundly serious allegations of malfeasance, or worse, in the Oil for Food Program would be to deny the Iraqi people the accounting they deserve and leave the UN under an ominous cloud.

In Iraq, and elsewhere, the world needs an impeccably clean, transparent UN. The dominant instrument of multilateral diplomacy should embody our highest principles and aspirations, not routinely sink to the lowest common political denominator. We have to be certain Security Council votes on vital questions of global security and international order are not for sale to the highest bidder. The UN may be called upon to act as trustee for another failed state in receivership. It should have the capacity to do so effectively, honestly and openly.

Three panels of distinguished witnesses will testify today. We appreciate their time, their expertise and their insights as we explore the impacts and implications of the UN Oil for Food program.